SEPTEMBER 9, 1963

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SECRETARY FREEMAN
VISITS EASTERN EUROPE

TURKEY AND THE EEC

FRANCE'S DECIDUOUS
FRUIT INDUSTRY

FOREIGN AGRICULTURE

Including FOREIGN CROPS AND MARKETS

A WEEKLY MAGAZINE OF THE UNITED STATES DEPARTMENT OF AGRICULTURE
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Including FOREIGN CROPS AND MARKETS

SEPTEMBER 9, 1963

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Secretary Freeman, center, Dr. Walter Carleton, USDA agricultural engineer, right, inspect thresher on Polish collective farm, Jadsowine.

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Secretary Freeman Reports on His Trip to the USSR and Eastern Europe

Secretary Freeman shakes hands with Bulgarian Prime Minister Todor Zhivkov

Last month Secretary of Agriculture Orville L. Freeman returned from a survey trip to Eastern Europe where he had discussions with the political heads of five nations—the Soviet Union, Poland, Rumania, Bulgaria, and Yugoslavia. His observations, summarized at a news conference, follow.

Agriculture provides a little-used but effective window through which Americans can more clearly judge the capabilities of Communist nations.

Agriculture, both in the Soviet Union and other Eastern European nations, is closely meshed with national policy and the overall potential of each country. Through agriculture, we can better understand their problems and the measures being taken to solve them. And, in doing so, we will be better equipped to formulate policies that promote our own national interests and the cause of world peace.

In this respect, no point struck me more forcefully during my recent trip through Russia and Eastern Europe than the realization that food and agriculture are among the finest instruments we have for building a world based on the achievement of peaceful goals.

In each country, the people were without exception very friendly. Wherever our party went, we were given a most cordial welcome. There was not a single instance of hostility or criticism.

Wherever I had an opportunity I talked to people on the farms, in factories, and in the markets. Particularly in areas away from large cities it was evident that most of the people had seen few Americans—and never an American official. When I brought these people the greetings of the President and the American people, and expressed our hopes for a peaceful world, the reaction invariably was an expression of friendship and a desire for peace.

In the USSR and other Communist nations, American prestige is high. Perhaps no other event in recent years has impressed the peoples of these countries of our dedication to the cause of peace more than the agreement to ban nuclear testing above ground and in the atmosphere. There is no doubt that, for these people, personal memories of the horrors and destruction of war intensify the hope for peace. This hope dominated the expressions of people everywhere we traveled.

Some flexibility apparent

In all the countries we visited, the governments are firmly and solidly in the hands of dedicated Communists. Government policy is in accord with the current party line, and dictated and carried out in accord with party principles.

For agriculture, this means that if the officials in power decide on a certain agricultural policy, the whole bureaucratic mechanism is thrown into gear to implement that policy—whether it relates to which field crops to plant or how much fertilizer to use.

We found evidence in each country, however, that officials have learned that too much uniformity and rigidity limits agricultural progress because it fails to allow for local differences and the variations of nature. As a result, more flexibility—especially with regard to adaptation to climatic conditions—is being permitted. But the "planning" on farms and in regions still must conform to the plans and requirements of the state—which determines priorities.

This means that if Chairman Khrushchev carries out his determination—as he indicated to me he would—to sizably increase his capital inputs in agriculture, there will be an increase in production, particularly grain and row crops. The Chairman indicated he would give strong emphasis during the next 5 years to mixed feed, fertilizer, and chemical production. It is apparent that he is shifting agricultural priorities from the New Lands, where the Russians have placed substantial amounts of virgin land into grain production in recent years, to more intensive cultivation of historic cropland.

Spirit of nationalism

The five governments are solidly Communist, but the five nations cannot be viewed as a unit, or single bloc. Each of the five peoples has its own history and tradition —and there is a noticeable spirit of nationalism in each country.

Even within the Bloc, Poland has never been able to carry out successfully the Communist principle of collectivization of agriculture. Between 80 and 90 percent of the land is owned and worked by the stubbornly independent peasants. The official goal is to change this situation, but Communist officials are realistic enough not to push the transition too far or too fast.

Yugoslavia, which is outside the Bloc, and has far more important relationships with the West, likewise has retained the ownership and operation of most of the farmland (88 percent) in the hands of the peasants—and the right to own a limited amount of land is written into the Yugoslavian constitution.

Yugoslav officials said their goal is social (State) ownership of the land. They emphasize they will *not* seek this goal by force or coercion, but by evolution and education—which, they say, may take 10, 20, or 50 years. It is interesting that, with all their penchant for 5-year plans and time-tables, they refuse to set a time-table for this.

These facts are very significant for the American people. It is clear that American agricultural exports to these two countries (Poland and Yugoslavia) under P.L. 480 have been a factor in preventing the forced socialization of the land—and thus in keeping alive a spirit of individual ownership and enterprise. Trade has kept a door open to the West—and the door is opened widest in Yugoslavia.

Mistake to close door

In my judgment it would be a serious mistake to close this door by ending the Most Favored Nation status that up to now has been accorded Poland and Yugoslavia. To close this door would both force greater Communist solidarity and deprive ourselves of potential markets. On the other hand, by continuing the Most Favored Nation treatment, we can promote trade that is of mutual benefit and move toward developing valuable commercial markets for American products.

I have returned with a number of strong convictions, but none more firmly reinforced than the demonstrated superiority of the family farm system of agriculture based on private ownership of the land.

U.S. and Soviet agriculture are scarcely comparable. In my conversation with Chairman Khrushchev, he said his goal is to surpass the United States as the No. 1 agricultural producer. I accepted this challenge with confidence and told him the incentives built into the family farm system will insure that it will continue as the most powerful engine for efficient agricultural production.

My observations convince me that the socialist system is bureaucratic and unwieldy, and by its very nature inefficient and wasteful. There is a lack of balance, and many extremes. For example, while the Soviet Union has made definite progress in production of grain and row crops, it lags far behind in the yields and production of animal products and fruits and vegetables, which require more skill at individual levels.

In comparison, the U.S. farmer has a training and background much broader than those we met in the Communist countries. We observed few farmers in the five countries who could match the American farmer with his working knowledge of agronomy, mechanics, veterinary, business management, and other agricultural skills.

Acceleration ahead

We should not be misled, however, into overlooking the progress which the Soviet Union and the other Communist nations are making. It is significant progress by their own standards, and all indications are that it will continue and be accelerated in the years ahead.

The agricultural practices we saw were, of course, their best, and many of them were impressive. Near Orenburg, we found a 22-percent protein spring wheat. In the Krasnodar region, we found sunflowers with a 46-percent oil content. In Bulgaria, we saw hybrid tomatoes which were equal or superior in quality and yield to our own. We found very good research being carried on at several research institutions.

There also are several important institutional improvements under way in the Soviet Union. They are getting technical and scientific knowhow into practice more effectively by encouraging more local discretion and adaptation to local conditions. There are, in addition, increasing numbers of trained people—as well as more and improved machinery.

One of the weaknesses in Communist agriculture is in the storage, marketing, processing, and distribution of food commodities. Focusing on production, Communist leaders are overlooking an aspect of the farm-to-dinner-table process which most Americans take for granted. This, I predict, will prove to be a serious oversight in the years ahead.

I left the United States feeling that reciprocal people-to-people contacts and the exchange of information on agricultural subjects are of mutual benefit. I now feel this even more strongly.

We found in Eastern Europe that the talk of exchanges met with immediate and favorable responses. We had an opportunity to see some of the effects of exchange programs, and to push for reciprocity in exchanges. And,

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Turkey and the EEC To Sign Agreement

After a preparatory period to permit country's economic development, Turkey will become the second associate member of the Common Market.

The European Economic Community and Turkey, on September 12 in Ankara, are scheduled to sign an agreement of association, making this Mediterranean country the Community's second associate member. The first was Greece.

Turkey applied for associate membership shortly after Greece did, with the object of obtaining similar tariff and quota treatment for its mainly agricultural exports. At that time, it was recognized that the difference in economic development between Turkey and Greece was considerable and that separate arrangements would be needed. Negotiations were begun, only to be disrupted by political events in Turkey, so that it was not until this past June that the long-drawn-out discussions culminated in a draft agreement that would associate Turkey with the European Community.

Nominally this is a full association agreement in the form of a customs union. For the time being, however, it is little more than a commercial and financial arrangement since the strict demands of a customs union could not be accepted at once by Turkey without endangering its efforts for economic development. There is no firm commitment on either side as to eventual full membership in the EEC, though the agreement was drafted with this in mind, as in the case with Greece.

Three phases planned

The objectives of the agreement are to be reached in three distinct and successive stages, according to the following timetable:

In the first *preparatory phase,* Turkey, aided by the Community, will continue efforts to put its economy on a sound footing, with a view to moving on afterward to the establishment of the customs union. This phase will last for 5 years and can be extended for another 5 years.

In the *transitional phase* which will follow, Turkey and the Community are to gradually abolish tariffs and other trade barriers. Turkey will then enter into the full customs union, with the necessary unification of economic policies. This phase is scheduled to last 12 years.

The third and final phase, *full association,* will come after either 17 or 22 years, depending on whether or not the preparatory period was extended 5 years, and is to last until full membership is considered possible. (Greece's transitional period will also extend 22 years for many sectors of its economy.) By the time Turkey becomes a full associate member of the Community it will have gained a free exchange of goods so that the only changes at this point would be institutional.

How all of this will be accomplished is not explained in detail in the agreement because of the uncertainty of Turkey's economic and political future. The only concrete measures foreseen concern the preparatory period.

One of these relates to financial aid. The Community, through the European Investment Bank, is willing to provide Turkey with loans totaling $175 million over a 5-year period. The loans will be used for development projects; interest charges and repayment arrangements will be particularly favorable.

Another measure carefully spelled out concerns a group of Turkey's agricultural exports. Currently Turkey's trade with the six member countries of the EEC makes up somewhat more than one-third of its total exports. Of these shipments to the Community, raw materials account for 7 percent, manufactured goods 3 percent, and agricultural products 90 percent.

Over 45 percent of Turkey's agricultural exports to the EEC are products on which the Community's common external tariff is zero—cotton, raw wool, hides and skins, oilseeds, largely. For these, the Common Market posed no problems.

Turkey's troubles lay with the remaining 55 percent of its agricultural exports to the EEC countries, most of which are or soon will be subject to a common agricultural policy. Had Turkey not gained association with the Community, its sales of these products might have fallen off somewhere between 15 and 35 percent. Greece, whose agriculture is much the same as that of Turkey, would have benefited, being an associate member of the Community.

Tariff quotas set up

The agreement takes cognizance of this situation by granting Turkey during the preparatory period preferential tariff quotas on roughly 37 percent of its agricultural exports to the Community: tobacco, raisins, dry figs, and nuts. These quotas will be calculated at the outset on the basis of the current pattern of trade, with an option left to Turkey and the EEC to increase the quantities originally agreed upon after the second year.

For *raw tobacco* the quota is set at 12,500 tons annually subject to a duty rate charged on Greek imports; the latter provision implies that the tariff quotas will become duty-free no later than the end of 1967.

The quota for *raisins* permits 30,000 tons to enter the Community, also at the same rate applied to Greek raisin imports. This means tariff freedom no later than November 1968.

The *dried fig* quota of 13,000 tons is subject to the regular customs duty diminished by half the amount of the intra-EEC tariff reductions.

For *nuts* the quota is 17,000 tons subject to a duty of 2.5 percent ad valorem.

France's Deciduous Fruit Industry

A leading producer of deciduous fruit in the Common Market, the French industry is having growth problems.

By DUDLEY G. WILLIAMS
U.S. Agricultural Attaché, Paris

Deciduous fruit production in France has undergone revolutionary expansion during recent years. This, coupled with prospects for continued increases in the years ahead, has prompted government and industry officials to seriously appraise price and marketing problems.

This past year, marketing of a number of fruits became increasingly difficult when production hit new highs and overburdened marketing facilities. As a result, farmers in southern France demonstrated violently against the importation of apricots, peaches, and certain vegetables from North Africa. In an effort to placate the demonstrating farmers, the government agreed to temporarily suspend imports of these products.

Current and prospective production

Production of all fruits has risen sharply during the past few years, with the heaviest expansion occurring in apples, pears, peaches, apricots, and prunes. Prices which French producers receive are above those received by growers in many producing countries, and the income received for fruit production is favorable, compared with many alternative crops produced in France. This has been an important factor influencing the rapid growth in production.

Further production increases during the 1960's are in prospect for apples, peaches, pears, and prunes, while apricots, cherries, and other deciduous fruits are expected to level off close to the estimates for the current year. Continued increases up to 1970 could result in lower producer prices for apples and peaches particularly, which in turn would tend to limit further production expansion.

Planned actions

Against the background of mounting pressures from producers and producer groups, the government has taken a number of steps designed to ease the marketing burden. These include promoting French fruits at home and in overseas markets; establishing decentralized local markets; encouraging the organization of marketing cooperatives; and actively supporting the establishment of canning plants in southern France.

Through market promotion efforts by the "Société pour l'Expansion des Ventes des Produits Agricoles et Alimentaires" (SOPEXA), the government hopes to expand export outlets for French fruit, while at the same time attempting to increase domestic consumption. The antiquated marketing system in France was recognized early as one of the major causes of the chronic and sometimes chaotic marketing difficulties. As a result, 18 modern markets have been constructed in producing areas, and 8 additional ones are under construction.

Market cooperatives are being emphasized as a means for more orderly marketing through organized planning and studies of the market situation. In a recent address to the National Assembly, Minister of Agriculture Pisani indicated that government assistance in the future would go only to producers belonging to organized cooperatives.

The government has taken a very active role in establishing new canning operations in the hope of easing seasonal marketing pressures for fruits and vegetables. Plans are now complete for the construction of two plants in southern France. One, a U.S. concern, will be located near Nîmes, and the other operated by the French Canners' Syndicate, in Montpellier.

Major problems

Despite these measures, many problems are yet to be resolved. Items likely to be the most troublesome are apples, peaches, and prunes.

Domestic consumption of fresh *apples* by 1970 is not expected to exceed 1 million tons. This means that additional outlets probably will be needed during the fall and winter months, when competition on world import markets is normally the strongest. France is hoping to find these outlets in the Common Market and other countries of

Right, farm workers spray fruit trees. Skyrocketing deciduous fruit production has forced the French industry to seek new markets for its products. (Photo, courtesy French Embassy.)

Europe. However, this will not be easy to do, for European production generally is trending upward. Although improved storage facilities are increasing rapidly, there is some doubt as to whether the increase will keep up with the expected production expansion. Even with adequate storage space available in France, the keeping qualities of most French varieties are such that fruit probably could not be stored satisfactorily beyond April, and imports would be required for the remainder of the season to meet local consumption requirements.

Fresh *peach* producers, long plagued with seasonal marketing problems apparently still have numerous obstacles to overcome, in view of prospective increases in production. Canneries may eventually take some pressure off the fresh peach market. However, essentially all current production in France is of freestone varieties, which are less desirable for canning than clingstones. Production experiments with clings have been going on for some time, but results up to now have not been satisfactory, mainly because of the susceptibility of clings to fungus diseases.

Clingstone plantings are currently underway in the Mediterranean area around Perpignan. However, in the past French growers have produced mainly for the fresh market and have received relatively attractive prices, which may make them reluctant to produce peaches under contract with canners at prices low enough to enable the canned product to be marketed competitively. French shippers hope that lower prices will stimulate consumption in export markets as well as within France.

The *prune* production potential is expected to reach 18,000 metric tons (dried basis) by 1970, with wide fluctuations from year to year, depending on weather conditions. During years of heavy production, disposal problems undoubtedly will arise. French production is made up largely of smaller sizes; larger size prunes are imported each year to meet the requirements of the local processing industries. Increased efforts will be necessary to find outlets for the excess of small prunes.

Currently a major problem is the marketing of *apricots,* but this may ease somewhat in future years. Further significant increases in production are not expected because of disease and other problems which make apricot growing in France more risky than production of most other fruits. Also, more apricots probably will be diverted to the processing industry.

Some problems very likely will develop in the disposition of *pears,* but the situation as a whole seems to be optimistic. Last year there was considerable difficulty in disposing of early Bartletts, and many of the Bartletts harvested during the latter part of the summer were put into storage and had not been sold at the beginning of the apple harvest. In order to make sufficient storage space available for apples, the early Bartletts were removed from storage and thrown into competition with apples and later varieties of pears. As a result, Bartlett prices dropped to very low levels. However, the situation may be eased somewhat by the developing canning industry, which could provide an important outlet for Bartletts, and by the expected increase in fresh pear consumption.

Little change is expected in the level of *cherry* production over the next few years. Most of the crop consists of sweet cherries, marketed mainly as fresh fruit. Around 10 percent of the crop is used by the glacé industry, and most of this is exported.

Import trade possibilities

The once sizable import market for apples in France is fast disappearing. In future years of normal production, France very likely will be a net exporter of apples. Although imports probably will be received late each season, the bulk of such needs will come mostly from Southern Hemisphere producing countries, including Argentina. On the other hand, there is a good possibility that pear imports will usually be required from January or February, and imports might be needed even earlier in the season in years of poor domestic production.

Despite the expected sharp increases in prune production, over the next few years, large-size prunes, such as those normally imported from the United States, will still be required in France to meet consumer demands. The extent of the import demands will be determined by the

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Left, the French peach harvest is underway, and, below, workers in a factory south of the village of Bordeaux pack this profitable fruit. (Photos courtesy of the French Tourist Office.)

Seven Years of P.L. 480 Farm Exports To Colombia Said To Meet "Vital Need"

P.L. 480 shipments of U.S. farm products to Colombia over the past 7 years have helped the country's economic development and kept prices to consumers lower, according to a recent USDA study.[1]

During this period, Colombia has been the third largest recipient of P.L. 480 commodities in Latin America. Under five separate agreements signed and completed between 1955 and 1962, about $100 million worth of U.S. products have been received. Over $75 million came under Title I—mostly wheat, cotton, and edible oils; about $25 million under Title III—mostly dairy products. Cotton shipments ceased in 1958 when the country's production reached self-sufficiency. Current shipments under P.L. 480 are all long-term loans under Title IV.

P.L. 480 shipments "met a vital need for the economy" in the 1950's, the study said, when falling world coffee prices reduced Colombia's foreign exchange earnings and the rapid growth of population made it difficult to maintain rising per capita consumption of food and fiber. Though these shipments were small compared to Colombia's total farm imports and output, their influence was felt in economic development, farm production and consumption.

By helping to supply internal food needs, Title I agreements permitted the use of scarce foreign exchange for the import of capital equipment important to industrial development. In no single year were the loans to Colombia of pesos generated under P.L. 480 sales sizable enough to add to inflation. Since over half the pesos were channeled into agricultural development projects, the effect was to boost low rural incomes and lessen unemployment where it was severest.

P.L. 480 wheat and flour—comprising half of total shipments—made the greatest impact. They made up 20 percent of total consumption of these foods and, although they did not provide for large gains in consumption, prevented or reduced a decline over this period. Net farmer income was little affected, while prices to consumers were held down.

Despite the increased imports of edible oils, prices rose sharply because of acute shortages and the Colombian Government's efforts to increase domestic production. Without Title I oils, however, prices would probably have been higher.

Donations under Title III favorably affected nutrition and health.

[1] Prepared by Michigan State University under contract with the USDA.

The complete report—"Effects of P.L. 480 Programs in Colombia: 1955-62"—may be obtained by writing to the Development and Trade Analysis Division, ERS, USDA, Washington 25, D.C.

White House Conference To Discuss U.S. Exports

About 200 of the Nation's leaders — representing business, agriculture, labor, Government, banking, and education—have been invited to attend a White House Conference on Export Expansion to be held in Washington, September 16-18.

Purpose of the sessions is to point up the importance of increased exports and to exchange ideas on how this may best be accomplished.

Twelve committees will tackle such broad problems as "Tax Policies and Export Expansion," "Foreign Investment Policy," "The Anatomy of Major Export Success," and "Trade Negotiations."

President John F. Kennedy, and U.S. Secretaries of State, Treasury, Commerce, Agriculture, and Labor will address the opening session on Tuesday morning. Luncheon speakers on the two meeting days will be U.S. Ambassador Christian A. Herter and Senator Warren C. Magnuson.

Prune Board Steps Up Promotion in U.K.

Last month the California Prune Advisory Board voted to continue for a second year and step up its prune advertising and public relations program in the United Kingdom.

The British campaign has as its theme, "Discover the bright new taste of today's California prunes." It emphasizes that prunes can be eaten straight from the package, or easily prepared in many new ways.

The campaign is carried out by a British advertising and public relations firm which will continue the broad program of promotion begun last year.

Press releases and photos featuring prune recipes go out each month to food editors of leading newspapers and women's magazines. (During June 1963, a typical month, releases went to 52 papers and magazines with a circulation of 50,230,724.)

Last year eight colored half-page ads appeared in seven leading women's magazines—a total of 56 insertions. A four-page color insert was placed in two grocery publications. The insert could be removed to serve as a point-of-purchase piece for in-store use.

Home demonstrations agents appear at women's clubs, exhibitions, and schools. They handed out 200,000 prune recipe color leaflets last year.

To finance the Board's $650,000 promotion and research program at home and abroad, California producers and processors each pay $2 per ton of prunes delivered for processing. CPAB also does promotion work in Denmark, Sweden, Norway, Switzerland, Italy, and Finland, in cooperation with FAS.

Two Couples Will Represent American Farmers at U.S. Amsterdam Exhibition

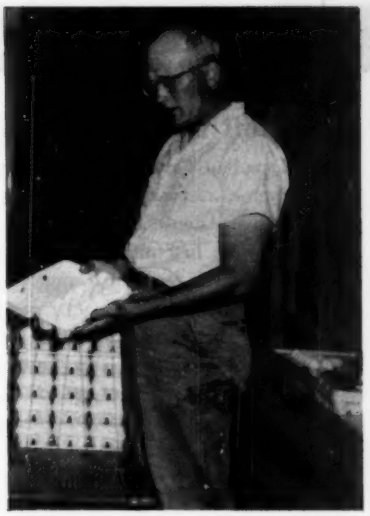
Two Dutch-speaking American farm couples have been chosen to personify U.S. family farming at the mammoth U.S. Food and Agriculture Exhibition in Amsterdam, Nov. 7-24.

They are Mr. and Mrs. John Van Timmeren, Allendale, Michigan, and Mr. and Mrs. Marvin Patmos, Hudsonville, Michigan. Both couples are leaders in their communities.

In line with the Exhibition's "people-to-people" approach, the couples will help to convey to Fair visitors that Americans as family farmers are much like their European counterparts: in ancestry and tradition, in their day-to-day life, and in many of their farming operations. They will point out that U.S. farmers—while striving for greater efficiency — also seek to improve the quality and wholesomeness of their food products.

The Van Timmerens have a successful 40-acre vegetable farm, most of it in celery. Except for seasonal help, the family does all the work.

The Patmoses, in 10 years, have built a profitable poultry egg operation by growing their own feed, and developing markets for their eggs.



Mr. Patmos, above, inspects eggs he candled and cartoned himself. Much of the poultry feed is grown on farm.

Mrs. Patmos and children, above, harvest beans in home garden, while Billy samples produce. Below, the Patmos family. Patmoses began poultry farming 10 years ago.

Top, Mrs. Van Timmeren gets cooking help from granddaughter; below, Mr. Van Timmeren applies fertilizer to celery. The farm is run mostly by the family.

Canada Lifts Import Restrictions on Turkeys

The Canadian Government announced recently its lifting of import restrictions on turkeys. Liberalization became effective August 21, 1963.

Turkeys were first placed under import control in July, 1957. In 1960, an annual import quota of 4 million pounds was fixed, of which not more than 1 million could enter during any one quarter. In recognition of the seasonal demand for turkeys, this limitation was subsequently modified to permit entry of up to 2 million pounds, one-half of the annual quota, in any one quarter.

The removal of quantitative restrictions should facilitate U.S.-Canadian trade in turkeys, particularly during the holiday season.

Italian Cheese Trade Expands

Italian exports of cheese in the first 3 months of 1963 totaled 15 million pounds; in the comparable 1962 period shipments were 14 million. These exports included 11 million pounds of hard and semihard cheeses—mainly Pecorino, 6 million pounds; Grana, 3 million; and Provolone, 1 million. By far the most important outlet, the United States took 8 million pounds, of which Pecorino accounted for 5 million.

Overall sales to major Western European markets were down by about 15 percent to 6 million pounds. Slightly heavier purchases by West Germany, Austria, Greece, Malta, the Netherlands, and Sweden were not sufficient to offset reduced purchases by Sweden, France, the United Kingdom, and several smaller markets.

Cheese imports in the first quarter of 1963 were up by 19 percent to 25 million pounds. Among the suppliers were Switzerland and West Germany, 5 million pounds each; Austria, Denmark, and Norway, 3 million each; and France, 2 million. Hard and semihard types made up the bulk of imports.

Rise in Exports of Some Dutch Dairy Products

Exports of dairy products from the Netherlands in the first quarter of 1963 exceeded those of the comparable 1962 period by more than 8 percent.

Sales of *butter* rose to 29 million pounds from 16 million. Heavy shipments of 6 million pounds to Italy, 4 million to Morocco and 2 million to Cuba largely accounted for this increase. (There were no purchases by these countries in the first quarter of 1962.) Sales to West Germany of 5 million pounds were up by 1 million, but there were no sales to East Germany, which a year ago took more than 1 million pounds. Trade with the United Kingdom was maintained at approximately 9 million.

Exports of *cheese* increased by 12 percent to 60 million pounds, almost half of which went to West Germany. Other important markets in this quarter were Belgium, 10 million pounds; the United Kingdom, 4 million; France, 3 million; and Spain, 2 million. Sales to the United States of 505,000 pounds were considerably smaller than those in the corresponding quarter of 1962.

Shipments of *condensed* milk declined by about 1 percent to 95 milion pounds. Thailand continued to be the major outlet, taking approximately 20 million pounds. Other markets were Malaya, 11 million pounds; the Philippines, Singapore, and Greece, 7 million each; Hong Kong, 5 million; and Ceylon, 3 million.

Sales of *evaporated milk* were down by 2 percent to 70 million pounds. The principal markets were in Asia, with substantial quantities going to Burma, 6 million pounds; Hong Kong and Thailand, 4 million each; India, Saudi Arabia, and Aden, 2 million each. Somewhat smaller quantities were sold to the Philippines, Kuwait, Singapore, and Bahrein. Of the 20 million pounds shipped to Africa, major purchasers were Nigeria with 7 million and Ghana with 4 million. Sales to Western European countries totaled 11 million pounds, of which the United Kingdom, Malta, and Greece took 3 million pounds each.

Exports of *dry whole milk* increased by 21 percent to 21 million pounds. Venezuela, the leading market, accounted for 4 million pounds, slightly more than in the first quarter of last year. Other countries making somewhat larger purchases included El Salvador, West Germany, Kuwait, Lebanon, and Saudi Arabia.

Thailand Plans Cotton Mill Expansion

Thailand recently announced intentions to increase its cotton mill capacity to 123,000 spindles by 1965, a 14-percent increase from the present spindleage of 106,000. Present capacity, if fully utilized, would require 73,000 bales (500 pounds gross) annually. If the target spindleage of 123,000 is reached, the estimated annual mill requirement will be around 85,000 bales.

Thailand produced 55,000 bales of cotton in 1962-63 compared with 58,000 bales in 1961-62. While domestic production could be increased, climate is not entirely favorable, and production is not expected to keep pace with increases in domestic demand. Imports in 1962-63 totaled 35,000 bales, of which the United States supplied 23,000. Of the 41,000 bales imported in 1961-62, 30,000 were shipped from the United States. Imported cotton may be required by 1965 at a rate of 45,000 bales a year if the proposed spindleage materializes. Stocks at the beginning of the 1962-63 season were 90 percent above the 10,000 bales on hand August 1, 1961.

Egypt Increases Cotton Export Prices

The Egyptian Cotton Commission has announced a further general increase in official export sales prices for three varieties of extra-long staple cotton ranging from 21 to 63 cent points per pound. This increase, which took effect August 11, is the fourth since last April for specified

grades of 1963-64 new crop Giza 45, and the third for higher grades of Menoufi and Karnak. The new official prices, f.o.b. Alexandria, for Fully Good grades of Giza 45, Menoufi, and Karnak are 42-81, 37-62, and 38.45 cents per pound, respectively—2.07, 1.04, and 1.07 cents per pound above the prices in effect as of last April.

The price increases appear to have resulted from early export sales of the bulk of the 1962-63 crop, which created a "tight" supply situation for higher grades by the summer of 1963.

Communist countries took a larger volume and percentage of this crop. Continued brisk demand from Communist countries, large exports to India, and normal replacement buying by other countries resulted in substantial forward sales of 1963-64 crop Menoufi and Karnak. Prospects appear good for continued large shipments to Communist areas and India, and for seasonal strengthening of demand in Western Europe and elsewhere due to normal replacement of inventories after the mill holidays. However, effects of the price increases on the long-term international supply demand situation for extra-long staple cotton are not clear. Prices of upland-type cotton in import markets are trending lower.

Austrian Monopoly Pushes Cigarette Exports

Export sales of Smart Export, a filter-tipped brand of cigarette containing a large percentage of U.S. tobacco, are being expanded by the Austrian Tobacco Monopoly. The Monopoly is pushing sales of this brand in Italy, France, and West Germany and plans to extend exports to the United Kingdom and Belgium. Smart Export is also very popular with Austrian smokers.

Pakistan Increases Leaf Tobacco Export Bonus

The Government of Pakistan is reported to have increased the rate of foreign exchange retention by exporters under the "Export Bonus Scheme" for redried and cured Virginia tobacco (flue-cured) from 20 to 30 percent. This increase will become effective immediately.

The purpose of the scheme is to increase exports of low-quality flue-cured tobaccos, which are in surplus. Also, there are no controls or restrictions placed on export shipments.

Foreign markets have been reluctant to purchase Pakistan leaf tobacco owing to its high dust content. However, the installation of a new cleaning and classifying unit that leaves the tobaccos relatively dust free increases the possibility of expanding exports. Press reports indicate that during early 1963, orders for over one-half million pounds were filled, with a major portion going to Hong Kong. This was in addition to the small quantities normally exported to the Netherlands and the United Kingdom.

Guatemala's Cigarette Output Up

Cigarette output in Guatemala continued upward through 1962. Production last year totaled 1,912 million pieces, compared with 1,854 million in 1961 and the 1955-59 annual average of 1,701 million.

U.S. Exports Less Flue-Cured in Fiscal 1963

U.S. exports of flue-cured tobacco in fiscal year 1963 totaled 371.5 million pounds (export weight), down 12.3 percent from the 423.8 million exported in fiscal 1962. The major markets during fiscal 1963 included the United Kingdom, West Germany, Ireland, Japan, the Netherlands, Australia, and Belgium-Luxembourg. The United Kingdom took 99.9 million pounds, compared with 145.6 million in the previous year.

Burley exports rose from 39.1 million pounds (export weight) in fiscal 1962 to 46.1 million in fiscal 1963—a gain of 18 percent. Major markets included West Germany, Italy, Sweden, Portugal, and Mexico.

The average export valuation per pound in fiscal 1963 was 81.7 cents for flue-cured and 83.5 for burley.

U.S. EXPORTS OF FLUE-CURED AND BURLEY TOBACCO, FISCAL YEARS ENDING JUNE 30, 1962 AND 1963

(Export weight)

Destination	Flue-cured		Burley	
	1962	1963	1962	1963
	Million pounds	*Million pounds*	*Million pounds*	*Million pounds*
United Kingdom	145.6	99.9	(1)	0.3
Germany, West	67.4	62.0	10.4	8.7
Ireland	12.5	23.1	—	(1)
Japan	25.0	22.2	—	(1)
Netherlands	16.9	20.8	1.6	2.0
Australia	17.1	16.8	.3	.5
Italy	12.5	11.9	5.2	7.0
Belgium-Luxembourg	13.2	11.8	.7	.9
Egypt	10.0	11.4	1.8	2.5
Denmark	10.9	10.3	1.2	1.5
Thailand	12.6	7.5	.2	.5
Sweden	9.9	7.3	4.0	5.1
Finland	7.1	5.8	1.4	1.3
Norway	5.4	5.6	.7	.8
Hong Kong	6.3	5.2	.7	1.2
New Zealand	4.1	4.6	(1)	(1)
Malaya, Fed. of	4.7	3.5	—	—
Vietnam	4.3	3.4	—	—
Indonesia	.8	3.4	—	.1
Taiwan	2.0	3.3	(1)	(1)
Switzerland	3.9	3.2	.8	.6
Portugal	2.8	2.4	2.2	4.3
Austria	5.0	2.3	.6	1.1
Mexico	2.6	1.8	2.4	4.1
Others	21.2	22.0	4.9	3.6
Total	423.8	371.5	39.1	46.1

[1] Less than 50,000 pounds.

Mexico's Cigarette Output Down Slightly

Mexico's output of cigarettes during 1962 totaled 39.0 billion pieces, down slightly from the 39.3 billion produced in 1961 but 3.2 percent below the 1960 high of 40.3 billion. Production of cigars, at 37.5 million pieces, was up 10.2 percent from the 1961 level of 34.0 million pieces but still slightly under the 1960 high of 38.7 million. Production of cut tobacco last year dropped sharply and amounted to only 31,000 pounds, compared with 77,000 pounds in 1961 and the 1955-59 average of 321,000 pounds.

Colombia Plans Sugar Expansion

There is considerable activity and interest at present in expanding sugar production in Colombia's Cauca Valley. Private development corporations are now investigating

specific projects with a view to providing financing, and a Japanese mission recently arrived in Colombia to consider participating.

Sugar production is increasing rapidly, having more than doubled in the last decade. The 1962-63 crop amounts to about 485,000 short tons, raw value. Exports are increasing also—they were about 72,000 tons in 1962—but domestic consumption has been going up even faster.

Mexican Minor Fibers Increase in 1962

Both production and exports of Mexican minor fibers increased in 1962. Production increased from 10.8 million pounds in 1961 to 12.1 million in 1962, while exports increased from 7.3 million to 9.2 million. However, imports of minor fibers fell from 1.2 million pounds to 400,000.

Broomroot was the principal fiber produced and exported. Its acreage remained constant at 16,000 acres in 1961 and 1962, but production and exports both rose in 1962, though they are expected to decrease in 1963 because of reduced demand by consumers having excess stocks on hand.

Mexico produces broomroot, broomcorn fiber, abaca, coconut fiber, and ramie chiefly for export and most of the exports of minor fibers are to the United States. Of the rest, 97 percent goes to European countries; however, most broomroot shipments to the United States are for final consumption in France, Italy, and Germany.

Recent imports of minor fibers have included 280,000 pounds of palm fibers in 1961 and 421,000 in 1962, mostly from India and the United States; a negligible quantity of unspecified fibers; and nearly a million pounds of jute from Pakistan in 1961. No jute was imported in 1962, largely because of government restrictions on imports.

MINOR FIBERS: MEXICAN PRODUCTION AND EXPORTS, 1962 WITH COMPARISONS

Fiber	Production (estimated)			Exports	
	1961	1962	1963 forecast	1961	1962
	1,000 pounds	*1,000 pounds*	*1,000 pounds*	*1,000 pounds*	*1,000 pounds*
Broomroot	5,953	6,173	5,732	4,716	5,417
Kenaf	1,543	1,720	772	0	(1)
Broomcorn	1,102	1,764	3,307	[2] 1,497	[2] 3,135
Sansevieria	882	882	882	24	66
Coconut fiber	661	661	661	216	35
Abaca	441	661	1,102	556	516
Ramie	22	22	22	(3)	(3)
Jute	(3)	(3)	(3)	[4] 249	[4] 46
Others	221	220	220	0	31
Total	10,825	12,103	12,698	7,258	9,246

[1] Less than 500 pounds. [2] Includes other brush fibers. [3] Negligible, if any. [4] Probably includes re-exports or other soft fibers. Mexican Ministry of Industry and Commerce and trade sources.

New Coffee Organization Ends First Session

The first plenary session of the Council of the new long-term International Coffee Organization adjourned late Saturday, August 24. At the session, held in London, country export quotas for the 1963-64 coffee year (beginning October 1, 1963) were set at 99 percent of the basic quotas established under the International Coffee Agreement. Dr. Joao Oliveira Santos of Brazil was elected Executive Director of the Organization.

This Agreement, which includes both importing and exporting members, was negotiated at a United Nations conference in July and August of 1962.

Indonesia's Exports of Copra, Palm Products

Registered exports of copra from Indonesia rose in March, and those of palm oil and palm kernels declined.

Exports of copra, at 23,263 long tons, were up sharply from the February shipments of 4,679 tons and the March 1962 ones of 6,638 tons. It appears that the March figure includes quantities of copra shipped January and February and not recorded until March. Exports during the first 3 months of 1963 totaled 30,911 tons—more than double the 14,793-ton volume reported in January-March 1962.

Registered exports of palm oil decreased to 7,932 short tons in March from 9,411 the month before; exports in March 1962 were 16,367 tons. Exports during January-March were 25,652 tons, in contrast to 29,844 tons in the same months of 1962—down 14 percent.

Palm kernel exports in March, at 1,376 tons, were down from the 5,130 tons shipped in February and the 3,898 tons shipped in March 1962. Total exports in the first 3 months of 1963, at 10,047 tons, were up by more than one-third from the 7,401-ton volume exported in January-March 1962.

Philippines Export More Copra, Coconut Oil

Recorded copra and coconut oil shipments in January-July 1963, as compiled from monthly data on registered shipments, have been revised to 465,440 and 111,171 long tons, respectively (*Foreign Agriculture,* September 2, 1963). The combined exports of copra and coconut oil for the first 7 months of 1963, on an oil equivalent basis, amounted to 404,398 tons, compared with 302,456 tons in the same period of 1962—an increase of 34 percent.

Spain Revises Oilseed Tariff Regulations

The Spanish *Official State Bulletin* published on July 20, 1963, decreed the complete suspension of custom duties on soybean imports (item 12.01 B-3 of the customs schedule). This suspension will remain effective through October 19, 1963. Prior to this decree imports of soybeans into Spain were subject to a 5-percent import tariff. Oilseed crushers were also required to pay a 30-percent tariff and a 5-percent fiscal tax on the oil obtained from the imported beans (see the March 1963 issue of *World Agricultural Production and Trade: Statistical Report*).

According to the official bulletin of July 27, 1963, customs duties on the imports of peanuts and peanut oil were suspended until October 15, 1963. Peanut imports were previously subject to a 5-percent import tariff, and peanut oil imports to an 18-percent import tariff as well as a 5-percent fiscal tax.

U.S. Exports of Sausage Casings Up 11 Percent

U.S. exports of natural sausage casings in the first 6 months of 1963 totaled nearly 10 million pounds, 11 percent above January-June last year. Of the total, 7.4 million pounds were hog casings and 2.6 million beef casings.

Exports of hog casings to most of the major markets were higher, with the exception of those to West Germany, the Netherlands, and Switzerland. Exports to all markets were up 7 percent.

Shipments of beef casings also were brisk in the first half of 1963, with total exports 25 percent above those for the same months last year. A rise in sales to Switzerland and Spain accounted for most of the increase.

SAUSAGE CASINGS, NATURAL: U.S. EXPORTS BY DESTINATION, JANUARY-JUNE 1963, WITH COMPARISONS

Country of destination	1961	1962	Jan.-June 1962	Jan.-June 1963	Change from Jan.-June 1962
Hog casings:	*1,000 pounds*	*1,000 pounds*	*1,000 pounds*	*1,000 pounds*	*1,000 pounds*
Canada	873	1,411	675	1,180	+505
U. Kingdom	2,865	2,726	1,538	1,658	+120
Netherlands	1,198	1,013	696	377	—319
Belgium	792	975	486	588	+102
Germany, West	1,496	1,603	993	560	—433
Switzerland	772	810	530	264	—266
Spain	809	695	373	469	+ 96
South Africa	610	918	503	545	+ 42
Australia	1,211	1,271	663	824	+161
New Zealand	534	527	287	253	— 34
Other	418	479	190	689	+499
Total	11,578	12,428	6,934	7,407	+473
Other animal casings:[1]					
Canada	567	330	195	269	+ 74
Sweden	23	33	28	6	— 22
Norway	511	516	152	93	— 59
Denmark	72	6	1	18	+ 17
U. Kingdom	203	180	96	144	+ 48
Netherlands	319	263	158	67	— 91
Belgium	259	220	164	74	— 90
Germany, West	863	576	342	336	— 6
Switzerland	1,659	1,126	457	707	+250
Spain	1,432	1,928	118	515	+397
Other	659	591	329	335	+ 6
Total	6,567	5,769	2,040	2,564	+524

[1] Casings not elsewhere classified, mainly beef.
Compiled from Bureau of the Census records.

New Slaughterhouse in Honduras

A new slaughterhouse recently constructed in Choluteca, Honduras, is the largest in the country, having storage capacity of 1,500,000 pounds. This new plant, where slaughtering was scheduled to begin sometime in August, brings to five the number of Honduran slaughterhouses, which pack mainly for the U.S. market.

Tentative arrangements have been made with a buyer to ship the quick-frozen meat from the new plant directly from Honduras to Los Angeles.

Australian Meat Moves to the U.S.

Eight ships left Australia in late July and early August with 48,276,480 pounds of beef, 1,695,680 pounds of mutton, 69,440 pounds of variety meats, and 13,440 pounds of lamb for the United States.

Ship and sailing date	Destination[1]	Arrival date	Cargo	Quantity
	Western ports:			*Pounds*
Kristin Bakke, July 23	Seattle	Aug. 20	Beef	394,240
	Tacoma	22	Beef	35,840
	Portland	23	Beef	203,840
	Los Angeles	Sept. 1	Beef	1,375,360
	San Francisco	6	Beef	577,920
			Mutton	4,480
Mariposa, August 5	San Francisco	Aug. 22	Beef	291,200
			Mutton	33,600
	Los Angeles	30	Beef	271,040
Cap Valiente, August 6	Seattle	Aug. 27	Beef	620,480
	San Francisco	31	Beef	1,041,600
			Lamb	33,600
			Var. meats	4,480
	Los Angeles	Sept. 4	Beef	2,166,080
			Mutton	67,200
			Var. meats	8,900
	Eastern and Gulf ports and St. Lawrence Seaway			
Lake Ontario, July 27	New Orleans	Aug. 18	Beef	1,550,080
			Mutton	100,800
	Tampa	20	Beef	1,232,000
			Mutton	253,120
	Norfolk		[2] Mutton	11,200
	Philadelphia	Aug. 26	Beef	1,368,640
	New York	27	Beef	4,184,320
			Mutton	89,600
			Var. meats	6,720
	Boston	30	Beef	344,960
	Detroit		[2] Beef	268,800
			Mutton	100,800
Port Alfred, July 27	Tampa	Aug. 23	Beef	387,520
			Mutton	80,640
	Charleston	26	Beef	584,640
			Mutton	89,600
	Norfolk	28	Beef	394,240
	Philadelphia	30	Beef	656,320
			Mutton	159,040
	New York	Sept. 2	Beef	2,800,000
			Mutton	62,720
			Var. meats	17,920
	Boston	8	Beef	479,360
			Mutton	212,800
			Var. meats	8,960
Port Wyndham, July 29	New Orleans	Aug. 23	Beef	1,545,600
	Tampa	27	Beef	1,335,040
			Var. meats	11,200
	Charleston	30	Beef	448,000
	Norfolk	Sept. 1	Beef	275,520
	Philadelphia	2	Beef	3,200,960
			Var. meats	8,960
	New York	4	Beef	5,046,720
	Boston	9	Beef	1,272,320
Townsville Star, August 4	New Orleans	Aug. 27	Beef	956,480
	Jacksonville	31	Beef	761,600
			Mutton	89,600
			Lamb	8,960
	Charleston	Sept. 1	Beef	548,800
	Norfolk	3	Beef	672,000
			Mutton	4,480
	Philadelphia	4	Beef	2,358,720
	New York	7	Beef	5,714,240
			Mutton	67,200
			Var. meats	2,240
	Boston	13	Beef	517,440
			Mutton	58,240
City of Auckland, August 6	Norfolk	21	Beef	98,560
	Charleston	Sept. 5	Beef	320,320
	Boston	8	Beef	174,720
			Mutton	29,120
	New York	11	Beef	1,451,520
			Mutton	147,840
			Lamb	4,480
	Philadelphia		Beef	349,440

[1] Cities listed indicate location of purchaser and usually the port of arrival and general market area, but meat may be diverted to other areas for sale. [2] To be transshipped.

New Zealand Meat Shipments to the U.S.

Five ships are scheduled to leave New Zealand during September with 19,488,000 pounds of meat for the United States—12,096,000 pounds of meat for the East Coast and 7,392,000 pounds for the West Coast.

Ship	Sailing date	Destination	Quantity
			Pounds
City of Winchester	Sept. 11	East Coast	2,240,000
Haparangi	Sept. 27	East Coast	9,856,000
Crusader	Sept. 4	West Coast	4,032,000
Mariposa	Sept. 17	West Coast	560,000
Oriana	Sept. 23	West Coast	112,000
Cap Palmas	Sept. 30	West Coast	2,688,000

Australian Sheep for Mexico

Late last month, 20,000 crossbred-type Australian breeding sheep were shipped from Sydney to Mexico in an air-conditioned vessel, attended by 11 stockmen.

The owner of the ship is an exporting company, formed by more than 60 Australian graziers, interested in exports of sheep and cattle.

Salvadoran Cattle and Hog Numbers

El Salvador's Ministry of Economy has released a preliminary report on the agriculture census carried out in 1961. The last such census was in 1950.

According to this report, cattle numbered 916,480 and hogs 323,647. These figures are substantially higher than previous Ministry estimates, which put cattle numbers at 671,190 and hogs at 156,203.

New Zealand Sheep Numbers Rise

New Zealand sheep numbers as of June 1963 were estimated at 50,209,000 by the New Zealand Department of Agriculture. This was an increase of 1,221,000 over the previous year. Included in the 1963 figure were 34,801,000 breeding ewes, 851,000 more than in 1962.

Argentina Eliminates Steer Production Tax

The Argentine Secretary of Agriculture announced recently at the National Livestock Show that the 5-percent sales tax on steers was being eliminated. This action should increase supplies of steers for slaughter, but significant results are not expected for about 3 years. Partial removal of the tax became effective July 31, 1963, but sales of cows and heifers are still subject to the tax.

The sales tax has recently been yielding about $18 million annually, and its elimination will reduce Treasury cash receipts by over $10 million, making the Treasury's cash shortage more acute. The value of steers slaughtered averages about 65 percent of the value of all cattle slaughtered and about 55 percent of all livestock marketed.

Thais Sign Corn Agreement With Hong Kong

Thailand has concluded an agreement to sell a group of Hong Kong importers 40,000 metric tons of corn from its 1963 crop. Along with a similar previous agreement with Japanese importers for 500,000 tons, this assures a minimum export volume of 540,000 tons for Thai corn.

The export prices for both agreements will be agreed upon prior to shipments, normally 1 month ahead of time.

While the early "dry season" corn, planted during March-May, suffered from abnormally low moisture, later plantings look favorable and the earlier crop estimate of 750,000 tons may yet be reached.

U.S. Wheat and Flour Exports Down in 1962-63

U.S. wheat and flour exports from July 1962 through June 1963 totaled 638 million bushels, compared with 718 million during 1961-62.

See story in detail and table showing wheat and flour exports by country of destination during July-June 1961-62 and July-June 1962-63 in the August issue of *World Agricultural Production and Trade: Statistical Report.*

U.S. Feed Grain Exports for 1962-63 at Record

U.S. feed grain exports for 1962-63 reached an all-time high of 14.8 million metric tons, compared with 14.1 million tons in 1961-62.

Corn accounted for 10.1 million tons and continued to be the chief grain export.

Sorghum, with exports of 3 million tons, showed the largest increase of any feed grain.

A table showing exports to principal countries and a detailed story appeared in the August issue of *World Agricultural Production and Trade: Statistical Report.*

Argentina Seeds Larger Wheat Acreage

The first official estimate of Argentina's 1963 wheat acreage is 12,973,000 acres. This is 14 percent larger than last year's acreage and 12 percent above the 1955-59 average.

Prospects for the crop are generally promising, although rain is badly needed in some areas. The fact that rainfall has been abundant in last year's drought areas of Buenos Aires and La Pampa is encouraging; however, there is some concern that the heavy rain and unseasonably warm weather may cause too rapid growth and lodging may become a problem.

Soil moisture has been inadequate in Central Córdoba and rain is needed urgently. Green fly damage has also been heavy in this zone.

Canada's Grain Stocks Larger

Canadian carryover grain stocks on July 31, 1963, were about a third larger than those of a year earlier but were 12 percent less than the average for the 10 years that ended in 1962.

The largest numerical gain was in wheat stocks, which, as estimated at 491 million bushels, were 100 million bushels larger than in 1962. The prospective wheat supply for 1963-64 is the largest of record, based on this carryover and the expected crop of about 700 million bushels.

The increase in wheat stocks reflects moderately larger supplies at the beginning of the 1962-63 season and some reduction in exports, compared with 1961-62. The current stocks are, however, 78 million below the 10-year average.

Stocks of oats in all positions are estimated at 151 million bushels, 91 percent above the small 1962 carryover and 20 percent above the average of the past 10 years. Barley stocks, at 90 million bushels, were up 55 percent from the low level of 1962 but were 22 percent below the 10-year average.

GRAIN: CANADIAN CARRYOVER STOCKS, JULY 31, 1963, WITH COMPARISONS

Position	Wheat	Oats	Barley	Rye
	1,000 bushels	*1,000 bushels* [1]	*1,000 bushels*	*1,000 bushels*
On farms	64,700	92,400	28,950	550
Country elevators [2]	232,099	40,421	41,830	1,635
Interior private and mill elevators	7,748	703	1,863	29
Interior terminal elevators	5,437	199	294	——
Pacific Coast terminals	15,502	108	794	22
Churchill elevators	4,158	——	——	——
Fort William-Port Arthur elevators	57,233	9,637	11,184	1,167
In transit—lake	4,690	873	427	138
In transit—rail	25,774	3,903	2,320	223
Eastern elevators	71,092	2,907	2,055	406
Eastern mills (mill bins only)	2,138	242	——	——
Western mills (mill bins only)	93	3	——	9
Total [3]	490,656	151,396	89,717	4,178
Total, July 31, 1963 [3]	391,058	79,066	57,824	3,789
Average July 31, 1953-62	568,667	126,641	115,096	12,507

[1] Of 34 pounds. [2] Preliminary. [3] Revised.

France Sells Wheat and Barley to Poland

France is reported to have sold Poland 250,000 metric tons of wheat from old or new crops on 2-year credit and 130,000 tons of new crop barley for cash.

Poland is a relatively new market for France. In 1962-63, France shipped 338,900 tons of wheat to Poland, the first significant amounts since 1955-56. French barley exports to Poland have averaged only 4,000 tons in the last 5 marketing years.

The United States shipped 556,700 tons of wheat and flour to Poland in 1962-63, and an average of 627,300 over the past 5-year period. These shipments were mainly under Title I of Public Law 480, with small amounts of flour going through private relief agencies.

The United States exported 538,400 tons of feed grains to Poland in 1962-63, against the 5-year average of 325,200. Last year's sales were for dollars although sales in previous years have been mainly under Title I for foreign currency.

Japan To Boost Wheat Imports

In compensation for drastic reductions in domestic grain crops, caused by a wet and cold spring, the Japanese Food Agency has sharply increased its wheat import plans for the fiscal year 1963-64 (Apr. 1-Mar. 31).

Imports under the food wheat budget were upped 40 percent to 2,540,000 tons, though imports of feed wheat, originally pegged at 900,000 tons, may be lowered to 800,000. If the revised budget for imports is matched by actual shipments, total imports of food and feed wheat will be up 28 percent over the original plan and fully a third larger than last year's purchases.

The largest increase will come in the soft wheat category, which was more than doubled from 450,000 to 920,000 tons. Japan's own wheat crop, which will be less than half of normal, is predominantly a soft wheat.

Semihard wheat purchase plans were increased by 26 percent from 270,000 tons to 340,000 tons. Hard wheat (13 percent protein and higher) was increased 16 percent from 1,100,000 to 1,280,000 tons.

As of August 1, Japan had purchased 1,295,197 tons of wheat in the first 4 months of its current fiscal year. U.S. sales accounted for 44.5 percent of these purchases.

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Secretary Freeman's Report

(Continued from page 4)

while U.S. agriculture is far advanced in comparison to these five countries, there are advantages we can gain by such exchanges.

Gains for U.S. agriculture

We can expect to get germ plasm to breed into our plants—our apples, pears, plums, alfalfas, and many forage grasses and legumes came originally from Russia—to obtain more disease and insect resistance, winter hardiness, drought resistance and other desirable qualities. We would like to explore Siberia for cold-resistant plants and send entomologists to seek more effective biological controls for plant and insect pests—either in the form of natural enemies or insect diseases.

Few people realize that the United States, through past exchange programs, already has obtained over 2,260 different plant specimens from the Plant Breeding Institute of Leningrad.

I strongly recommend expanding our exchange programs involving reciprocity to the end that both parties to the exchange benefit. In addition to the material gains resulting from such exchanges, there is the increased understanding and goodwill which follows when people come to know each other as human beings.

Finally, the clear evidence of increased attention to the agricultural sector in the countries we visited is a sign and a trend we should welcome and encourage. Investments in raising the standard of living are investments in the peaceful capabilities of these nations.

France's Fruit Industry

(Continued from page 7)

size and quality of the French crop. In years of heavy local production, however, producer resistance to imports may become much stronger.

In the future, the French canning industry, under the government's policy of protectionism, will probably develop rapidly. Eating habits are undergoing changes in favor of more convenient, easy-to-prepare foods, and a heavy potential demand would seem to exist for high-quality, reasonably priced canned goods. Before this demand can be fully exploited, numerous production and marketing adjustments will have to be made to assure efficient canning operations. In the meantime, the government will probably maintain protectionist policies, which will limit the possibility of imported canned fruits competing freely on the French market.

French Deciduous Fruit Production, 1956-60 Average, First Estimate 1963, and Prospective 1970

	Average 1956-60	Estimate 1963	Prospective 1970
	1,000 metric tons	*1,000 metric tons*	*1,000 metric tons*
Table apples	490	960	1,300
Table pears	196	288	300
Peaches	248	422	500
Apricots	50	120	120
Prunes (dried basis)	5	13	20
Cherries	77	95	100

Source: Ministry of Agriculture and French fruit trade.